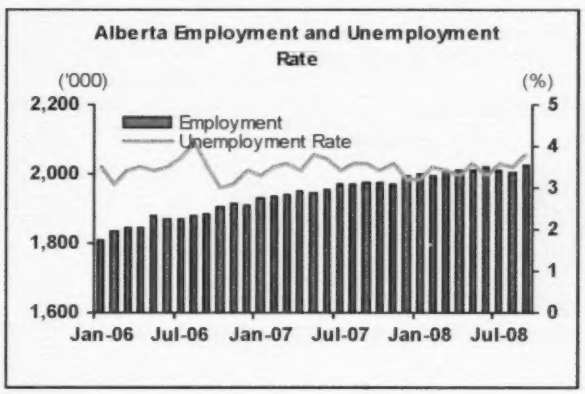
Employment Report

Alberta continues to create jobs…

Alberta created 17,200 jobs in September, with most of the increase in part-time positions. In the first three quarters of 2008, employment in Alberta increased by 56,000, or 2.9%, the strongest growth among the provinces. Alberta's unemployment rate nevertheless edged up 0.3 percentage points to 3.8% as more people entered the labor market. Canada added 106,900 jobs in September, the biggest monthly gain since 1976. However, part-time jobs accounted for more than 90% of the increase. The national unemployment rate was unchanged at 6.1% due to a matching increase in the labor force.



Housing Starts and Housing Price Index

Alberta housing starts rose in August, but prices continue to decline…

In September, housing starts in Alberta rebounded 3.5% from August to an annualized rate of 26,700 units. Compared to the first three quarters of 2007, starts were down 33.6%. Over the same period, starts declined by 8.7% in Calgary and by 55.1% in Edmonton. Nationally, housing starts remained virtually unchanged from August, as the decline in Ontario was offset by increases in BC and Saskatchwan.

For the seventh month in a row, house prices in Alberta declined by 0.4% in August. Year-to-date, however, prices were still up 3.6%. Nationwide, new home prices were unchanged from July, but were up 2.3% from the same period last year.

Cdn Dollar (US¢/CS)	
October 10, 2008	84.0
October 3, 2008	92.5
2008-09 YTD	97.1
WTI Oil US$/bbl	
October 9, 2008	$ 86.59
October 2, 2008	$ 93.97
2008-09 YTD	$ 119.47
Nymex Natural Gas CS/MMBtu *	
November Contract	
October 10, 2008	$ 7.63
October 3, 2008	$ 7.93

*Estimate based on Nymex Futures Market Price

Building Permits

Weakness was seen in both residential and non-residential construction activities…

The value of building permits fell 19.1% from July to its lowest level since February 2006. On a year-to-date basis, residential permits dropped by 28.9%. Non-residential permits, however, were still up 11.7%, largely due to the strong growth in the industrial (+50.0%) and institutional (+60.7%) sectors.

Financial Markets

Major central banks coordinated rate cut…

On October 8, the U.S. Federal Reserve, the European Central Bank, the Bank of Canada and the central banks of U.K. and Sweden all lowered their policy rates by half a percentage point. Switzerland and China also cut their rates by 25 and 27 basis points, respectively. So far, efforts by central banks have failed to restore investor confidence as equity markets around the globe are still falling. Oil prices dipped below the US$80/bbl level this morning on demand concerns. The Canadian dollar dropped below 84 cents US, the lowest since November 2005, as investors rushed to the US dollar as a safe-haven.